

Supervisor Romaine Calls on NYS Comptroller DiNapoli to Review and Reject \$440 Million PSEG Electric Rate Hike

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Farmingville, NY - Brookhaven Supervisor Ed Romaine and members of the Town Council held a press conference today to call on New York State Comptroller Thomas DiNapoli to undertake a binding review of the proposed \$440 million LIPA/ PSEG rate increase and reject it. Also present in support of the Town was Suffolk County Comptroller John Kennedy, who previously stood with Supervisor Romaine at an April 16 press conference to announce that Brookhaven would join the County in opposition to the hike.

Pictured left to right are Councilwoman Valerie M. Cartright, Councilwoman Connie Kepert, Councilman Dan Panico, Supervisor Ed Romaine, Councilwoman Jane Bonner, Suffolk County Comptroller John Kennedy and the Town's outside counsel, Rob Calica.

In May, the New York State Department of Public Service (DPS) granted the Town "party status" to intervene as an official party in response to a letter of request sent to by Supervisor Romaine. In addition to the Town of Brookhaven, permission was granted to the International Brotherhood of Electrical Workers Local 1049; Nassau County; the Natural Resources Defense Council; NRG Energy, Inc. and Suffolk County.

At today's press conference, Supervisor Romaine maintained that the PSEG/LIPA proposed \$221.3 million aggregate increase in Consumer Delivery Charges over a three-year period (average increase of 4%), is excessive. He also noted that the recent calculation error by the DPS that originally called for a reduction in the increase of 78.4% and later changed to a 37% reduction is clear evidence that the rate hike should be reviewed by an independent auditor.

Supervisor Romaine said, "Electric rates on Long Island are among the highest in the country and Brookhaven Town is one of PSEG's biggest customers," said Supervisor Romaine. "We are still in a recession and many Brookhaven residents struggle to pay their bills and feed their families, but there appears to be no end to rate hikes. The increase is unfair to taxpayers and PSEG must be held accountable. The Town needs to keep the pressure on PSEG to go back to the drawing board and come up with a better plan."

Comptroller Kennedy said, "PSEG-LI, in seeking multi-year rate increases, is negating the very real constraints that

all governments, including Suffolk County, must now operate under. The County has invested more than \$27 million over a period of years in energy consumption mitigation projects, collectively reducing annual County utility costs by \$5 million. If the rate increase is adopted, Suffolk County stands to pay almost \$1 million a year more following the final impact of the 36 month rate increase plan. It is unwarranted, it is too high, and the increase should be summarily rejected."

In an April 10 letter to Kathleen H. Burgess, Secretary of the New York State Public Service Commission (PSC), Comptroller Kennedy urged her to reject the proposed PSEG Long Island rate hike in the delivery portion of the customer bill. He noted that delivery rates charged to ratepayers have increased in 2014 and will increase in 2015. Based on the proposed 3 year rate plan, they will continue to rise in 2016 through 2018. Compared to 2013 rates, delivery charges will increase by as much as 26 percent in winter and 8.8 percent in the summer through 2018.

At the April 16 press conference, Supervisor Romaine confirmed that the Town authorized its legal counsel to formally "intervene" in the proceeding to bring an important "public voice" before the PSC, and to assure that the process is transparent, fair, and properly considers the critical financial stake for Long Island's rate payers. In a recent motion filed by PSC staff counsel against PSEG before the Administrative Law Judge presiding over the Rate Hike Application, PSC counsel complained about PSEG's failure to provide critical financial information to the PSC staff needed to evaluate the pending Rate Hike Application. The PSC staff's motion complained that PSEG failed for months to provide critical information in response to several requests, provided "nonresponsive" information to others, and has "impeded" the PSC staff's ability to evaluate the Rate Hike Application.

The PSC staff has acknowledged that the current PSEG Rate Hike Application is the "first time in 20 years" that the Commission has reviewed a Long Island rate increase application, and acknowledges that it is "unfamiliar with PSEG's business model." This renders PSEG's refusal to provide necessary financial disclosure and explanations critical to a fair outcome for the Town's and Long Island's rate payers. The Town's intervention in the Rate Hike Application proceeding will assure that it obtains prompt and complete notice of all filings, rulings and decisions, and elevate the Town's status from that of a mere "commenter" to that of an interested and affected party.

Division of Public Information * Office of the Supervisor

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